

FDIC State Profile

Texas

Fourth Quarter 2008

ECONOMIC INDICATORS (Change from year ago, unless noted)

Employment Growth Rates	Q4-08	Q3-08	Q4-07	2008	2007
Total Nonfarm (share of trailing four quarter employment in parentheses)	1.2%	1.9%	3.2%	2.1%	3.3%
Manufacturing (9%)	-2.2%	-1.3%	0.2%	-1.1%	1.1%
Other (non-manufacturing) Goods-Producing (8%)	2.6%	5.0%	8.4%	5.4%	8.1%
Private Service-Producing (66%)	1.3%	1.7%	3.3%	2.1%	3.4%
Government (17%)	1.8%	2.6%	2.0%	2.4%	1.6%
Unemployment Rate (% of labor force)	5.4%	5.0%	4.4%	4.9%	4.4%
Other Indicators	Q4-08	Q3-08	Q4-07	2008	2007
Single-Family Home Permits	-41.3%	-30.6%	-31.6%	-33.1%	-26.8%
Multifamily Building Permits	-42.1%	-9.5%	5.0%	-14.2%	6.4%
Home Price Index	2.1%	3.4%	5.6%	3.5%	6.2%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	1.76	1.63	1.76	1.69	1.69

BANKING TRENDS

General Information	Q4-08	Q3-08	Q4-07	2008	2007
Institutions (#)	644	648	659	644	659
Total Assets (in millions)	365,059	360,354	345,838	365,059	345,838
New Institutions (# < 3 years)	38	40	39	38	39
Subchapter S Institutions	288	290	285	288	285

Asset Quality	Q4-08	Q3-08	Q4-07	2008	2007
Past-Due and Nonaccrual Loans / Total Loans (median %)	1.77	1.56	1.59	1.77	1.59
ALLL/Total Loans (median %)	1.17	1.14	1.12	1.17	1.12
ALLL/Noncurrent Loans (median multiple)	1.66	1.80	2.21	1.66	2.21
Net Loan Losses / Total Loans (median %)	0.16	0.07	0.10	0.14	0.09

Capital / Earnings	Q4-08	Q3-08	Q4-07	2008	2007
Tier 1 Leverage (median %)	9.34	9.61	9.62	9.34	9.62
Return on Assets (median %)	0.75	1.02	1.06	0.96	1.16
Pretax Return on Assets (median %)	0.92	1.25	1.30	1.16	1.43
Net Interest Margin (median %)	4.16	4.21	4.43	4.15	4.38
Yield on Earning Assets (median %)	5.98	6.19	7.12	6.24	7.06
Cost of Funding Earning Assets (median %)	1.74	1.92	2.60	1.99	2.58
Provisions to Avg. Assets (median %)	0.22	0.14	0.11	0.19	0.11
Noninterest Income to Avg. Assets (median %)	0.71	0.74	0.82	0.74	0.81
Overhead to Avg. Assets (median %)	3.37	3.27	3.41	3.29	3.32

Liquidity / Sensitivity	Q4-08	Q3-08	Q4-07	2008	2007
Loans to Assets (median %)	59.4	59.8	57.3	59.4	57.3
Noncore Funding to Assets (median %)	22.4	22.1	20.5	22.4	20.5
Long-term Assets to Assets (median %, call filers)	19.6	17.7	13.9	19.6	13.9
Brokered Deposits (number of institutions)	190	168	134	190	134
Brokered Deposits to Assets (median % for those above)	4.1	4.4	4.6	4.1	4.6

Loan Concentrations (median % of Tier 1 Capital)	Q4-08	Q3-08	Q4-07	2008	2007
Commercial and Industrial	94.3	88.9	92.1	94.3	92.1
Commercial Real Estate	203.5	193.3	175.5	203.5	175.5
Construction & Development	53.1	50.1	42.1	53.1	42.1
Multifamily Residential Real Estate	2.0	1.7	1.1	2.0	1.1
Nonresidential Real Estate	128.2	121.6	109.2	128.2	109.2
Residential Real Estate	107.3	100.1	90.0	107.3	90.0
Consumer	51.0	51.2	52.2	51.0	52.2
Agriculture	33.6	33.4	32.8	33.6	32.8

BANKING PROFILE

Largest Deposit Markets (from 2007 Summary of Deposits)	Institutions in Market	Deposits (\$ millions)	Asset Distribution	Institutions
Dallas-Fort Worth-Arlington, TX	192	191,446	< \$250 million	486 (75.5%)
Houston-Baytown-Sugar Land, TX	117	109,317	\$250 million to \$1 billion	118 (18.3%)
San Antonio, TX	62	46,797	\$1 billion to \$10 billion	33 (5.1%)
Austin-Round Rock, TX	71	20,569	> \$10 billion	7 (1.1%)
McAllen-Edinburg-Pharr, TX	18	8,729		